G. R. S. IX-5]

Previous references.

File No. 220-16

1916-17

Serial Nos. 1

(GJ)

Later references.

LR 15-21 (3, 7, 28, 30)
GJ. 29-24 2-5-6-7.
GJ. 89-24-163.
GJ-(10-31 (1-2)
GJ-24-32 (1-2)

GENERAL AND REVENUE SECRETARIAT.

P234-E *Serial Nos.* 1.

Part B for June 1917.

SUBJECT.

Mr Datta's note on the Inspection of P. W. Dn! Offices by Account Officers.

Sw: 1 H 7800-49 Dy: 22.6.17

Passing orders on the above subject.

W D 88—GPB—50,000—24-7-16

11/8/17

J. R. S. 11] 1916.-17

GENERAL AND REVENUE SECRETARIAT.

(G. 7)

NOTES.

File No. 220-16

FILE HEADING.

Mr Watts's note on the Inspection of Public Works Divisional offices by Accounts Officers

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

P. T. O

NOTES—First Sheet.

C. 162 917

1

G.R.S. III—3]

27. 2. 17.

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Inspection of Public Works Divisional Offices.

Three copies of Mr. Datta's note on the marginally noted subject (as well as a copy of the Comptroller remarks thereon) are forwarded, with compliments, to the Financial Secretary to Government, for favour of necessary action.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16

Summary.

INSPECTION OF PUBLIC WORKS DIVISIONAL OFFICES.

I. The check exercised in the Central Audit Office over expenditure incurred on works is only partial and can be considered to be complete only when it is supplemented by a local inspection and test-audit by the Comptroller's staff, of the initial accounts maintained in the local offices. These initial accounts cannot conveniently be sent to the Central Office of audit for purposes of examination and the only way to examine them is by a local inspection. It is therefore essential that every Public Works divisional office should be inspected by the Comptroller's staff once a year. This has not however been done regularly in the past.

II. Though inspections are thus of great value, they serve no purpose whatever if prompt action is not taken on the reports submitted after they have been completed. The necessity for taking prompt action on these reports does not appear to have been realised in this State and the state of affairs at present is lamentable. The responsibility for this serious dereliction of duty lies chiefly with the Secretariat. A number of reports have been submitted by the Comptroller bringing to notice serious irregularities and even suspicious cases of fraud involving thousands of rupees, but no notice has been taken in most of these cases although months and years have elapsed since their submission. I have accordingly suggested measures so that inspection reports may not be neglected in future. The Comptroller will submit to the Financial Secretariat periodically, statements showing the inspection reports on which orders have not been passed by Government within three months and bringing out clearly the important points on which orders are required and it will be for the Financial Secretariat to see that early orders are passed.

III. In future, with every inspection report, the Comptroller should also submit a summary of the important defects brought to notice during inspections and requiring action on the part of Government.

IV. Inspections by the Comptroller's staff are not at present done regularly and take an unusually long time. I have accordingly suggested measures so that the system of inspection may be methodised and the time required considerably reduced.

V. The Comptroller should be required to submit an annual statement showing the inspections done, and the state of each Public Works Office inspected. He should also explain why any offices have not been inspected during the year.

VI. Divisional Offices are not also inspected regularly by Superintending Engineers at present. Such inspections should form a very important part of the duties of a Superintending Engineer. Measures are therefore suggested so that the responsibility of Superintending Engineers in this matter may be enforced.

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INSPECTION OF PUBLIC WORKS DIVISIONAL OFFICES.

The inspection and test audit of the initial records maintained in a Public Works divisional office is an essential part of the audit of Public Works expenditure and its importance cannot be over-rated. The check exercised in the Central Audit Office over expenditure incurred on works is only partial. All that is done in the Central Office is to see—

(1) that there is a voucher for every payment charged in the accounts, giving details of the expenditure incurred and duly acknowledged by the payee,

(2) that the arithmetical calculations in a percentage of the vouchers are correct,

(3) that all previous payments are correctly deducted from the total amount shown in the bill as due and recoveries are promptly effected on account of the value of Stock and Tools and Plant issued to contractors,

(4) that there is a sanctioned estimate and an appropriation for the work and

(5) that the payment under audit will not cause an excess over the total of such estimate or appropriation.

As there are many other important points connected with the audit of Public Works expenditure which can only be examined by a local inspection of the initial accounts maintained in the local offices, the audit of Public Works expenditure cannot be said to be complete, unless central audit is supplemented by a local inspection and test audit. The local audit consists of an examination of a large number of initial records maintained in the local offices, namely, nominal muster rolls, measurements recorded in measurement books, cash books maintained in divisional offices, daily record of receipts and issues of stock, and tools and plant, accounts of materials at site, road metal accounts and register of works. A detailed examination of these initial records alone can show whether the expenditure under each sub-head is within the estimate, whether the rates charged for each kind of work are in accordance with the local schedule of rates and the agreements executed with contractors, whether the entries in muster rolls and measurement books are properly recorded, whether the purchases and issues of stock and tools and plant are promptly brought to account, whether there are any serious irregularities and whether any of these records give rise to suspicions of fraud. An annual inspection of every divisional office is therefore of very great importance so that serious irregularities, frauds and defalcations can be found out.

2. Inspections, though they are thus of great value, become purposeless, however frequent and regular they may be, if prompt action is not taken on the reports submitted after they have been completed. Irregularities continue if proper action is not taken to stop them, and if a long time is allowed to elapse, they are found difficult to be enquired into. It is therefore of greater importance than the inspections themselves, that when inspections are made, prompt action should be taken to remedy the defects brought to light, to investigate all cases brought to notice which give rise to suspicions of frauds and defalcations and to bring home to the executive officers concerned their responsibility in connection with the irregularities reported.

3. As matters stand at present, the procedure followed in Mysore seems to be deplorable in this respect. I find that a number of inspection reports have been submitted bringing to light serious irregularities, some of which give rise to serious suspicions of frauds and defalcations. But little or no action has been taken on them, although months and years have elapsed since their submission. Thus, an inspection report on the accounts of the Cauvery Power Scheme was forwarded to the Government with the Comptroller's No. C. P. S. 721, dated 26th November 1914, bringing to notice many serious irregularities which called for immediate action. Many instances were given of supplies having been charged for but not actually received, *e. g.*, purchases of doubtful genuineness amounting to Rs. 4,626-13-5 unsupported by requisitions and acknowledgments of the Bangalore Power and Lighting (Para 2 of the inspection report), similar purchases for Sivasamudram amounting to

Rs. 1,922-9-11 (Para 7), supplies alleged to have been made to the Bangalore Power and Lighting to the extent of Rs. 592-6-4 (para 3), purchase of 41 barrels of tar at a cost of Rs. 1,537-8-0 (para 5), 700 yards of canvas cloth at a cost of Rs. 446-13-0 (para 9) and 71½ cubic feet of Jara wood at a cost of Rs. 154-8-8, etc. Articles of the value of Rs. 15,988-4-0 which were found missing were reported to have been fraudulently charged to different heads, as if they had all been issued in the regular course and used on works (para 18), 27,520 lbs. of No. 6 copper wire said to have been purchased at a cost of Rs. 15,480 could not be accounted for (para 43), 9,072 lbs. of copper wire costing Rs. 5,103 which remained unused after completion of the 2nd installation, were neither returned to stores nor disposed of otherwise (para 44), and articles of tools and plant purchased at a cost of Rs. 2,677-0-8 could not be accounted for (para 48). These are a few instances out of many cases which revealed a most deplorable state of affairs, calling for immediate enquiry and stringent measures and although more than two years have now passed since the submission of the report, little or nothing has been done in the matter. The report was sent by Government to the Chief Electrical Engineer on 9th December 1914 for a thorough investigation of the irregularities brought to notice, but the Chief Electrical Engineer has not submitted any report and no further action has been taken by Government.

4. A similar and no less serious state of affairs was brought to notice in the report of inspection of the Tumkur Division of February 1913. Serious irregularities in regard to stores accounts were brought to notice. (Paras 84 to 94.) There were large differences between the book balances and the actual balances of articles of tools and plant found on count and these were shown as issued in the accounts for August 1911, to four subordinates who had never indented for the articles. The subordinates had given no acknowledgment for the receipt of the articles, nor did they show them in their monthly tools and plant statements. In the subordinates' monthly statements received in the Sub-Division, entries of these articles were made by the Sub-Divisional clerk. The value of the articles shown against the four subordinates was finally recovered from contractors for 16 works on bills for payments due for work done by them. No deductions on account of the value of the articles were made or proposed by the subordinates but, in the Sub-Division Office, the Sub-Divisional clerk made the deductions of his own motion. There were also no acknowledgments of the contractors for the alleged supplies of the articles in question to them. The value of some of the articles was recovered from contractors working at Maddagiri and Pavagada, but there is no evidence of the despatch of these articles to these places. Another feature is that all the articles had been certified to in the previous half year to be quite new and yet in recovering their cost from the bills of contractors who were never supplied with them, it was assumed that the articles were old and only the value of old articles was accordingly recovered. In one instance, work was paid for by the Executive Engineer, notwithstanding the fact that the Sub-Divisional Officer refused to pass it and that the work was not measured either by the Sub-Divisional Officer or the Executive Engineer. The Executive Engineer's explanation for paying the bill without the Sub-Divisional Officer's knowledge was that the latter was absent on leave on the date of payment, though as a matter of fact he was present at the Headquarters itself on that day, as evidenced by his journal. Then, again, the Superintending Engineer had definitely ordered that a certain sum was to be recovered from the contractor on account of payments for work not properly done according to sanctioned estimates, but these orders were ignored and the full amount claimed by the contractor was paid by the Executive Engineer. The amount was not recovered till the date of inspection and though the Superintending Engineer ordered that no further contract was to be given to him, the Executive Engineer still gave him another contract. False measurements and over-measurements were also brought to notice. No orders appear to have been passed on this report also.

5. The accounts of the Cauvery Reservoir Works were examined and a report was submitted on 13th March 1914. The accounts of kerosene oil and fuel were not correct and there were shortages of 312½ tins of the former and 23·74 tons of the latter. Muster rolls were not authentic records of attendance of labour taken daily on the spot. The accounts of tools and plant, stores, materials at site and advances were in a bad condition and advances to the extent of several thousands of rupees were irrecoverable and there were circumstances to give rise to suspicions about the advances not having been actually made at all. But no orders have been passed yet.

6. The Bangalore Division was inspected in June 1915 and orders of Government were communicated to the Superintending Engineer, Southern Circle on 7th October 1915. But although more than a year has elapsed since then, the Superintending Engineer has not yet communicated the orders to the Divisional Office.

7. The report of the inspection of the Kolar-Chikballapur Railway was submitted on 9th December 1915. But no orders have been received yet. This report mentions that there were a number of nominal muster rolls, which lead to doubt whether they could have been written from day to day, as they contain names added subsequently in different ink and after check by officers, that there were rolls without daily muster noted on them and others in which the attendance at first marked was subsequently scored out after the amounts due had been worked out and rolls in which fines inflicted were not recovered and which were paid without orders of the Executive Engineer. Payments charged in the Cash Book were brought to notice where particulars in respect of name of work and the number of bills paid were wanting or were subsequently inserted and also where dates of measurement relating to some of these entries were so altered in the measurement books and bills as to make them appear consistent with the dates of payment. Acknowledgments of payees were taken on hand-receipt forms instead of on the bills themselves and the bills were kept back or were always submitted to the Audit Office long after they were due. Payments were habitually made without measurements and without preparing bills which were all prepared later to support the payments. Cheques drawn were kept undelivered for a long time: thus, cheque No. 32 D. 2500 for Rs. 65-2-5 was drawn on 27th June 1914, cancelled on 28th June 1915 and a fresh one was drawn instead. The contractor's acknowledgment bears a later date and the receipt stamp affixed is an obsolete one which could not have been available for sale on the date of acknowledgment. Stores were paid for but they were not brought on the stock accounts nor were they charged to any works directly (Para 19c). A contract was given to a Government servant, Mr. Abdul Waris, Assistant Master, Government Anglo-Vernacular School at Hoskote. Advances were given to him to the extent of Rs. 184. The value of work done by him, however, amounted only to Rs. 147-5-8 and the balance due was ordered by the Executive Engineer to be recovered three months after the prescribed time as a concession and the unsized stones supplied by him were paid for at the rate for sized stones, (Para 30 d). The full amount has, however, not yet been recovered. A large number of bills and vouchers were overdue for submission to the Audit Office to end of June 1915. Some of them were stated to have been sent to Sub-Divisional Officers, for explanation, etc., but there were no records to support the statement. Some were also stated to have been personally made over to Sub-Divisional Officers for obtaining contractors' acknowledgments.

8. A report on the inspection of the Hassan Division was forwarded to Government with Comptroller's No. 5076—G. A. 11-803, dated 5th April 1914. Orders have been issued on this by Government in their letter No. 2310-2—P. W. 1197-9, dated 8th November 1916. Notwithstanding a strong protest by the Chief Engineer that the Audit Office had exceeded its functions and notwithstanding every effort made by him to support the Executive Engineer, Government have found that a number of irregularities have been proved and have meted out some punishment to the Executive Engineer; but no orders have yet been passed on some very important questions raised in the inspection report. It was pointed out in the inspection report that bills were checked by the Head Clerk or the Cashier and not by the Accountant and that the Executive Engineer systematically withheld bills from his Accountant. The Superintending Engineer held that there was no irregularity in an Executive Engineer paying bills without examination by the Divisional Accountant and that for facility of work, the Divisional Officer may make any arrangements he thought best for the purpose. The question whether bills were to be scrutinised by the Divisional Accountant or not, was thus left to the discretion of the Executive Engineer, who, it was urged, was not bound to put off payments on urgent bills till the Accountant had completed his scrutiny. It was also pointed out that some Executive Engineers did not allow Accountants to record their objections on bills which the Executive Engineers wished to pay. As it is imperatively necessary to remove these misconceptions on the part of departmental officers in regard to the duties of a Divisional Accountant, the Comptroller asked for definite orders of Government in the matter in his letter No. 1133—G. A., dated 8th April 1914, and although eight reminders have been issued by him on the subject, no orders have been passed yet. There cannot be any doubt that the position taken by the Comptroller is absolutely sound.

9. A Divisional Accountant is, of course, expected to help the Executive Engineer in every way in regard to matters of account; but he is not a subordinate of the Executive Engineer in the same way as the other members of his establishment are. A Divisional Accountant is the representative of the Comptroller in the Divisional Office and he is placed in the Divisional Office, chiefly because the Executive Engineer is authorised to make payments by drawing funds against letters of credit and it is necessary that some sort of check should be exercised either by the Audit Office itself or by some one else on its behalf before any claims are paid for by the Executive Engineer. In no branch of the Public Service is an Officer, however high his position may be, allowed to make payments without the interference of the Audit Office. In the case of most departments, the Audit Office issues instructions to the Treasury Officer which enable the latter to scrutinise claims presented to him for payment. It is only in the case of departments like the Public Works that the Audit Office issues a general authority to the Treasury Officer to make payments to disbursing officers of the department, without exercising any check. It has therefore been considered necessary to place an assistant appointed by the Comptroller, in the Public Works Divisional Offices to scrutinise all claims before the Divisional Officer pays for them. In these circumstances, it is absurd for the Public Works Departmental Officers to contend that the Divisional Accountant's check should be exercised only at the option of the Executive Engineer. If this is allowed, the whole object of the system would be frustrated. An Executive Engineer may, in exceptional circumstances, be allowed to make payments notwithstanding an objection raised by the Divisional Accountant, but the Accountant should be allowed to record his objection on the bill so that the Comptroller might know the circumstances of the case at once, as soon as the bill comes under his examination; and the Executive Engineer should clearly understand that he makes the payment entirely on his own responsibility and if the Audit Office finds the objection of the Accountant to have been scund, the Executive Engineer would be personally responsible to make good the amount.

10. It has already been explained that the audit in the Central Office is only partial and that for a complete audit, an examination of the initial records in the Divisional Office is essential. It is the duty of the Divisional Accountant to examine these initial accounts locally, on behalf of the Comptroller; and it would be a great error to allow Public Works Disbursing Officers to interfere with these functions of the Divisional Accountant. In fact, to compare small things with big, the relationship between the Divisional Accountant and the Executive Engineer is somewhat analogous to that between a Provincial Accountant General and the Local Government. An Accountant General is placed as the representative of the Imperial Government with a Local Government to exercise an audit control over all orders passed by the latter, to give advice on all financial matters and to do all that he is required to do by the Local Government. He is required to respectfully place before the Local Government his objections and though the Local Government is vested with powers to overrule him, it is bound to forward the objections of the Accountant General in original to the Government of India for final orders.

11. It is not necessary to multiply instances in which prompt action has not been taken by Government on inspection reports submitted by the Comptroller, but it must be stated that the treatment of inspection reports by the Secretariat is far from satisfactory. As explained already, it is as important for the Audit Office to inspect and report on each Divisional Office once a year, as for the administration to ensure that audit objections are properly remedied and serious irregularities are individually pursued and investigated. How essential this is cannot be too often reiterated and it is necessary to impress the importance of this on the Public Works Secretariat. I would also suggest that special arrangements may be made to take suitable and prompt action on all reports outstanding on this date and system introduced where laxity prevails at present. It is necessary that the Comptroller should be required to bring to the notice of the Financial Secretariat any special laxity in this matter, on the part of the Public Works Secretariat, so that the former can pursue the matter in communication with the latter. Another change will also bring about a substantial improvement in the prompt disposal of inspection reports. In future, with every report, the Comptroller should submit a summary of the important defects brought to notice requiring action on the part of Government.

12. In British India, every Public Works Divisional Office is inspected once a year by an Assistant Accountant General. In Mysore, however, such inspections were only occasionally

done till the year 1914-15. In July 1914, the Comptroller represented to Government that with his existing staff of Gazetted Assistants, it was impossible for him to carry on inspection work systematically. He pointed out that the inspection of the permanent offices of the Public Works Department and of those of the Cauvery Power Scheme would take 254 days in a year, and it was therefore necessary that an additional officer should be sanctioned for inspection work alone. Government accordingly sanctioned the entertainment of a temporary officer for one year with effect from 3rd March 1915. The continuance of this appointment for another year was also sanctioned in Government Order No. Fin. 4515—G. F. 105—158, dated 9th March 1916. Even with this additional officer, however, many of the offices have not been inspected during the year 1915-16. The following statement shows the number of offices inspected during the last few years and the total number of days spent on inspection :—

Years	Number of offices inspected	Number of offices not inspected	Total number of working days spent in inspection	Remarks
1913-14	30	10	184	The test-audit accountant generally precedes the Inspecting Officer by 3 to 6 days and the figures entered in the previous column represent the actual number of working days, the test-audit staff remained in the Divisions.
1914-15	24	19	307	
1915-16	25	18	316	

13. The fact that such a large number of offices remained uninspected during each of the last three years is due to the inordinately long time taken at present by the inspecting staff in completing their inspections. Thus, the inspection of the Bangalore Division in 1915 occupied 49 working days, that of the Cauvery Power Offices in 1914, 123 days, it being explained that the officer was attending to his office work also; while in 1915 it took 57 days. In 1914, the inspection of the Kannambady Reservoir Works occupied 47 days, and that of the Kolar-Chikballapur Railway in 1915, 45 days. There is no doubt that in all these cases, the time taken for inspection and test-audit was unnecessarily long. In Madras, the maximum period allowed for the inspection and test-audit of a Public Works Division is six working days, and many offices are required to be completed in a much shorter time. The time required for each inspection is fixed beforehand and the inspecting officer is not allowed to exceed it without the special orders of the Accountant General. Owing to the deplorable condition of the divisional offices in Mysore generally, the time required for test-audit may be longer but, I am unable to admit that it should be as long as has been actually taken.

14. It should be a rigid rule, in future, that every Public Works Division should be test-audited by one of the Comptroller's Assistants once a year. The Comptroller should be required to submit to the Financial Department a report at the end of every year, showing how many Divisions have been inspected during the year and how many have been left undone, with an explanation as to why it has not been possible to inspect the latter. It should also give the date of each inspection, the time taken on it, together with a brief account of the nature of the serious irregularities brought to notice and the general condition of the initial accounts maintained.

15. The Comptroller should have power to pay surprise visits to a Divisional Office either himself or to require any of his Assistants to do so. But the following detailed procedure should be adopted for ordinary inspections of Divisional Offices. A programme providing for the inspection of all the offices should be drawn up at the commencement of the year and Inspecting Officers should not be allowed to return to headquarters after the completion of each inspection, but should be required to finish all the offices lying in the same direction before being allowed to return to headquarters. A notice of inspection should be issued to each Division at least a week before the inspection, in which the month's accounts selected for test-audit should not be mentioned but the measurement books, etc., required should be enumerated. The present procedure is to call for no measurement books in particular

beforehand. It is obvious how this causes unnecessary delay in the inspection as measurement books will be at the workspot in the custody of the sectional officer and cannot be available in the Divisional office at all times. The measurement books should be selected in the Central Office with reference to the importance of the works in progress, the duration of works and delay in payments, and with regard to any irregular purchases of stores or payment of work, noticed in the monthly audit. A list of the books required should be sent to the Executive Engineer so that he may keep them ready against the Inspecting Officer's arrival. Any other books that may be required during the course of inspection should of course be called for as soon as it appears necessary to do so. The month's accounts to be test-audited will be taken with the Inspecting Officer from the Central Office who should be assisted in the work by one accountant and a clerk. The inspection procedure will follow the details laid down in Annexure A to the P. W. Form 145 and the questions in Parts I and II of the form. A report should be drawn up of the important points noticed and not explained on the spot and handed over to the Executive Engineer. In fact, as objections are discovered, they should be noted in separate notes and given to the accountant for replies being furnished every day and on the last day of the inspection, the draft report can be easily prepared from the unexplained objections on the notes on individual points. The report will be made over to the Executive Engineer and his replies obtained, before the Inspecting Officer leaves the station. This is the procedure followed in British India and, it is understood, is the authorised procedure, at present in Mysore also. The report will then go to the Superintending Engineer who will forward it to the Comptroller. In the Comptroller's Office, an extract of the important objections not sufficiently explained by the Executive Engineer and the Superintending Engineer will be made out and submitted to Government. It should be made a distinct rule that a report should be sent to Government within two months of the date of inspection. In the letter forwarding the report to Government, all serious irregularities noticed at the inspection should be prominently brought to notice and specific orders requested. The orders of Government should be communicated to the Executive Engineer within three months at the latest. The yearly report to be submitted by the Comptroller as already suggested should enable Government to have a collective view of the work of the several Divisions and to take effective measures not only to put down irregularities in the case of bad Divisions, but also to avoid unusual delays in the disposal of objections and inspection reports.

16. Special sanction has been accorded, as already stated, to the temporary addition for one year of an officer of the rank of Assistant Comptroller for inspection work. The temporary officer sanctioned is entirely for the inspection work of Public Works Offices and the inspection of treasuries is conducted by the Comptroller or one of his other Assistants. With the reduction in the detailed work of audit proposed in several directions, the Comptroller should not require an additional Officer for the regular inspection of all Public Works Offices and treasuries. This will be explained further in my note on the number of Gazetted Officers, Superintendents and clerks required for the Comptroller's Office.

Inspection of Divisional Offices by Superintending Engineers.

17. Inspection of Divisional Offices by the Superintending Engineer is another important matter. The Bangalore Divisional Office has not been inspected by the Superintending Engineer during the past few years and it does not appear that any Divisional office is regularly inspected by the Superintending Engineer. The Superintending Engineer is responsible that the rules are strictly followed both as regards works and the accounts and, under the Public Works Code, he has to satisfy himself that the registers of works are properly maintained, that the accounts represent the progress of work, that irregularities in rates and excesses in the cost of sub-heads are promptly noticed and properly corrected, that no delay occurs in the submission of completion reports, that the returns of different articles of stock and tools and plant are duly verified, and in short, that the primary accounts and the prescribed registers are kept in a proper manner and are attended to by Executive and Assistant Engineers without being left too much in the hands of Accountants and Subordinates. A periodical inspection of each Divisional Office by the Superintending Engineer is thus absolutely necessary and the importance of such inspection cannot be over-rated. It has already been noticed how large is the number of vouchers overdue and completion reports belated in the Mysore State, and it stands to reason that greater vigilance and closer

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supervision on the part of Superintending Engineers would have undoubtedly minimised the number of outstanding objections. In Madras, each Divisional Office has to be inspected by the Superintending Engineer of the circle once a year and a report of every such inspection has to be submitted for the information and orders of Government. A similar procedure should be enjoined in the Mysore State also. Every Superintending Engineeer should be required to submit at the end of the year, a report showing the offices he has inspected during the year as well as those he has not inspected, giving reasons why he has not inspected the latter.

K. L. DATTA.

15-12-16.

(12)

Orders of Government on inspection reports are not now received promptly and as the irregularities brought to notice in reports relate to the financial transactions of the Department and the inspections are those conducted by the Audit Department it is desirable, as suggested here, to report to Government in the Financial Department cases in which are not settled within 3 months.

Unless the procedure prescribed in Government Order of 14th September 1915, important points requiring the orders of Government have to be specially brought to their notice and this procedure will be continued.

16. The annual report suggested in this para will be very useful and may be required to be submitted to Government in the Finance Department.

17. The procedure for inspection of Divisional offices suggested in this para is generally on the lines of that laid down in Government Order of 14th September 1915 and will be followed. But very prompt attention of Divisions to the objections raised in the course of inspections is necessary under this arrangement and unless prompt and final replies are furnished to the points noticed it will not be possible to follow this procedure. The Divisions often plead that objections raised can be restored only after reference to Sub Divisions and most of the points are thus held over for being answered leisurely. The reorganisation of the accounts branch of Division offices suggested by Mr. Datta will however make them self-contained offices

and there should be no difficulty in answering the objections raised from materials available in the Division Offices themselves The Executive Engineers must be present at Head Quarters when their accounts are examined ~~when their accounts are examined~~ and they must co-operate with the Inspecting Officer, answer all the points raised by him with the least delay and enable him to write his report which should require no further reference to the Executive Engineer for offering any explanations or for any other purpose.

Para 17.

The regular inspection of Division Offices by Superintending Engineers is very necessary and during such inspections the accounts work of the offices should received special attention. The annual report required to be submitted by Superintendeing Engineer is also necessary. A similar report is proposed to be submitted by the Comptroller also.

SDV/8-18

sd M.N.Krishna Rao
18.12.16

Orders should issue requiring Executive Engineer's to be present at head quarters and to co-operate with the Inspecting officer during the last few days of an inspection if not full. It is not necessary that he should be present throughout the period.

/d. [illegible]

20-12-'16.

WD 1233—GPB—60,000—1-12-16—S.

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G. R. S. III-2]

General and Revenue Secretariat.

7m File No. 703 of 1916.

Serial No.

MS Fin

Please submit with a note and the vrin g P.W. Secy as early as possible.

M

Forwarded to the P.W. Secy for 22/12 favour of remarks and very early return -

B.O
S. Shamanne
23/12

Urgent
27/12/16 24/12/16

submitted with a separate note
Serial - 703
2.1.16

NOTE—Contn. sheet.

P. 7-0.

P.W.D. 12]

General and Revenue Secretariat.

File No. of 191

13

Serial No.

m/ff No. 1/1403

Dated the 2nd January 1917

GEN. & REV. SECT. 17 JAN 1917

Returned, with compliments, to the Financial Secretary to Government with the following remarks:-

The proposals put forward by Mr. Datta may be adopted. Necessary action to improve matters in this direction has already been taken under the procedure prescribed in Government Order of the 14th September 1915.

2. With regard to the complaint made that prompt action is not taken in the Public Works Secretariat on the inspection reports submitted by the Comptroller it may here be stated that with one or two exceptions, the inspection reports are not pending in the Secretariat but have been referred to the Division or Circle offices for the preliminary report or further replies required to allow of final orders being passed. Such references to Division offices have been much reduced since the adoption of the procedure prescribed in the Government Order referred to above.

3. The necessity for Superintending Engineers to regularly inspect Division offices has been impressed on them and an annual report showing the offices inspected by every Superintending Engineer during the year as well as those not inspected by him, with reasons for the same, is required to be submitted under the existing orders. Further action in the matter will also be taken.

NOTE—Contn. sheet.

For Secretary to Government,
P.W. Department

Bangalore,
16th January 1917.

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G. R. S. 12]

General and Revenue Secretariat. | File No. | of 191

Serial No.

Subd with the P.W. Secy's opinion.

The Comptr's opinion is in the file. If approved this may now be forwarded to the Fin. Committee for needful further action.

Bhrs
18/1/17

The suggestions made in paras II to VI of the Summary, which are agreed to both by the Comptr and the P.W. Secy may be approved. The Comptr also points out that the procedure for inspection of divisional offices suggested in Mr. Datta's note to Finally as the thing stood order in fo. of 14-9-15, blue hiest for a year in the first instance -

Secy) -

18
19-1-17.

I would offer the following remarks

Para 11 last sentence - In view of the rule ~~prepared~~ required in para 16 viz. that in the letter forwarding the report to Govt. all serious irregularities noticed at the inspection should be prominently brought to notice & specific orders requested — a rule which is now followed in practice, a separate summary does not seem necessary.

Para 14 Last sentence - This report need not in my opinion go into nature of irregularities. It may confine itself to seeing whether all inspections required have been made.

NOTE—Contn. sheet.

GPB—70,000—17-12-15

(15

G. R. S. 12]

General and Revenue Secretariat. | File No. | of 191

Serial No.

Para 15. "In the Comptroller's office .... for".

It is better I think to have the report chiefly in a tabular form with columns for the remarks of the E.E. & the S.E. There should also be columns for remarks of Comptr & orders of Govt. In the Comptr's remarks column entries may be made soliciting Govt orders against the appropriate entries. The preparation of an "extract" in the Comptr's office in the way suggested is likely to increase work in the Comptr's office.

The present practice of making special reports on urgent or very important matters noticed during inspections should continue.

In other respects I agree with Mr Dattar's suggestions.

1/2/17

(President & Member)

Asst Accountant General
1/2

43
2-2-17

NOTE—Contn. sheet.

GPL—70,000—17-12-15

(46

A. R. S. 12]

General and Revenue Secretariat. | File No. | of 191 .

Serial No.

The subject was considered by the Finance Committee on the 3rd February 1917 and their resolution in the matter is placed below:-

A/S Fin will please prepare a brief draft in accordance with the Committee's resolⁿ & submit within 3 days

13/2/17 JB 13/2

Draft subd

Hon 14/2/17 Secy) JB 16/2/17

Tidy draft subd Hon 15/2/17

Revised draft please - Drafts should follow Committee resolution -

JB 17/2 JB

Revised draft subd.

Hon 17.2.17 Secy). JB 17.2.17

Secy for next meeting of Council

JB 19/2 JB 19/2

NOTE—Contn. sheet.

GPB—25,000—2 11-14

(17)

Extract from the proceedings of the 6th meeting of the Finance Committee held on the 3rd February 1917 .

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S u b j e c t

Note on Inspection of Public Works Divisional Offices.

Opinion of the Committee

All the suggestions contained in the note were approved.

Secretary, Finance Committee

(68)

Extract from the Proceedings of the 414th Meeting of the Council of His Highness the Maharaja, held at Bangalore on the 31st March 1917.

Subject.-

(1) Rush of Expenditure and objectionable expenditure

(2) Inspection of Public Works Divisional Offices,

(3) Reform of Public Works System of payment and accounts.

OPINION OF THE COUNCIL.

The suggestions made in Mr. Datta's notes may be approved generally.

The Financial Secretary and the P.W. Secretary should draft an order within a month explaining in detail the ~~sixxit~~ existing provisions and the modifications necessary.

The drafts may be considered in Council and submitted for the orders of His Highness.

Sd. M. Visvesvaraya,

Dewan of Mysore.

(Copy)

Original put up with file re Reform of P.W. System of Accts.

"EXTRACT"

Sd. D.H. Narasinga Rao

Secretary to Government,

General Department.

WD—156—GPB—1,000—19-7-16.

No 122
25. 5. 17.

(6)

INSPECTION OF PUBLIC WORKS DIVISIONAL OFFICES BY ACCOUNT OFFICERS AND SUPERINTENDING ENGINEERS.

I have made a few verbal alterations in the draft prepared in the Financial Secretariat and accepted by the Secretary in the P.W.D. and submit a typed copy of the draft for final approval.

K. L. Datta
25. 5. 1917

To,

The General Secretary, (U.O.)

G. R. S. 12]

20

General and Revenue Secretariat. | File No. of 191 .

Serial No.

The draft put up by the Financial and Public Works Secretaries has been scrutinised by Mr. Datta (as required in O.M.No.G.14,531-37, dated the 30th April 1917 prescribing a revised procedure for dealing with Mr. Datta's proposals).

The papers are re-circulated to the Council with reference to paragraph 3 of the Council Resolution dated the 31st March 1917.

Member of Council's Secretariat

Dues & Rao 26/5

25/5

4. 6. 17.

NOTE—Contn. sheet.

GPB —70,000—17-12-15

Extract from the Proceedings of the 419th Meeting of the Council of His Highness the Maharaja, held at Mysore, on the 11th June 1917.

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2. Subject.-Clause viii of the Schedule.

Draft order on Mr. Datta's note on the Inspection of Public Works Divisional Offices.

OPINION OF THE COUNCIL.

The draft order may be approved.

C. D. Viswesvaraya,
Dewan of Mysore.

"EXTRACT"

D. M. Narayana Rao 11/6
Secretary to Government,
General Department.

WD—156—GPB—1,000—19-7-16.

22

7 M. 703

G. R. S. 12]

General and Revenue Secretariat. | File No. of 191

Serial No.

To the Assistant Secretary, Br. II

for kindly submitting the file to the First Member of Council, with a Draft Final Note.

Draft 14/6

D. f. n. submitted

~~Asst Secretary~~ 1st. member) 15 14.6.17

3479 15.6.17

Offd well

15/6

Fair final note signed by first member is put up.

15/6/17

7091 16.6.17

Dewan) 15 16/6/17

NOTE—Contn. sheet.

GPB—70,000—17-12-15

Final Note by the First Member of Council.

Subject:—

Draft order on Mr.Datta's note on the Inspection of Public Works Divisional Offices.

Mr.K.L.Datta, Special officer, has drawn up a note dated 15.12.1916 explaining the procedure to be adopted regarding the inspection of P.W.Divisional Offices by Account officers.

2. Mr.Datta's suggestions were agreed to by the Finance Committee. The Council accepting them desired the Financial Secretary to prepare, in consultation with the P.W.Secretary, a draft order explaining the existing procedure and the modifications necessary.

3. The draft thus prepared and scrutinised by Mr. Datta, was considered in Council.

4. The resolution of the Council agreeing to its issue may be approved.

15th June 1918

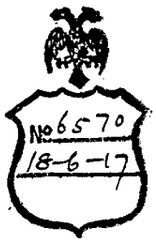
Submitted to His Highness.

I submit herewith a Final Note by the First *Member of Council on the subject of* inspection of Public Works Divisional offices,

for His Highness' gracious approval.

M. Venkatasubba Rao
Dewan.
18th June 1917.

Record of Cases submitted for the Orders of His Highness the Maharaja.



Subject.

Draft order on Mr.K.L.Datta's note on the inspection of Public Works Divisional offices.

Order.

~~KRW~~

20/6/17

Financial Secretary

21.6.17

Issue orders

(26

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2)

General and Revenue Secretariat.

47 File No. 220 of 1916

Serial No.

Subt to Financial Secretary for favour of perusal of H. H's order.

26.6.17

2/7/17 182/7

1. Sd Hrs of Depts Comptrs Mr K. L. Datta Rev: Comrs'd } Pl 7800-09 Dt. 22.6.17

Passing orders on Hrs suggestion Mr Datta.

NOTE—Contn. sheet.

97 220-16-1

R e a d:-

G.O. No.1730-60.P.W.8903-33 dated 14-9-15 adopting a tentative procedure for the inspection of the Public Works Divisional offices by Account Officers.

2. Note dated 15-12-16 by Mr.K.L.Datta, Special Officer, on the subject of the inspection of Public Works Divisional offices by account officers and Superintending Engineers.

H 7800-49 / 97220-16-1 § 22-6

Order thereon.

Under the rules contained in paras 1756-1772 of the P.W.D.Code, Vol.II, and the Government order read above, the Comptroller or one of his assis-ants is required to inspect every divisional office once a year and submit reports of such inspections to Government, and the duties of a Superintending Engineer in the matter are laid down in paras 268 to 276 of Vol.I of the P.W.D. Code.

2. In his note dated 15-12-16, Mr.Datta brings to the notice of Government that the inspections by the Comptroller's staff have not been done regularly in the past, that these inspections take an unduly long time and also that in respect of a number of inspection reports submitted by the Comptroller, no effective action has been taken to set right the defects noticed, for a long time after their submission. He points out that divisional offices are not also being regularly inspected by Superintending Engineers and that their responsibility in the matter should be enforced.

3. In view to remedy these and other defects, Mr. Datta proposes certain rules of procedure which Government are pleased to accept. They accordingly direct that the rules as contained in the Appendices A & B to this order be strictly observed in future by the officers concerned.

4. The procedure laid down for the inspection of Public Works Divisional Offices will also mutatis mutandis be adopted in respect of the accounts of Marahmat, Electrical and Railway Construction Offices. These rules will also apply to accounts of Open Lines of Railways. The accounts of stations will however be inspected only once in three years and the other offices once every year. The inspection of stations will be in addition to their periodical examination by Travelling Inspectors of Accounts under the Open Line rules.

D.M.N.

Secretary to Government,.
General Department.

Paid. S.O. Bom. Table.

To

The Comptroller to Government.
The Chief Engineer, P.W.D.
The Secretary to Government, P.W.D.
The Agent, Mysore State Railways.
The Secretary to Government ~~of~~ Railways ~~Department.~~
The Chief Electrical Engineer.
The Revenue Commissioner.
All Superintending Engineers
All Executive Engineers.
Mr. K.L. Datta, Special Officer.
other Heads of Offices.

13

Appendix. A.

INSPECTION OF DIVISIONAL OFFICES BY THE COMPTROLLER.

1. Every P.W.Divisional office should invariably be inspected once a year by a gazetted officer of the Comptroller's office.

2. The following detailed procedure should be adopted for such inspections:-

(a). A programme providing for the inspection of all the offices should be drawn up by the Comptroller at the commencement of the year, and such programme should as a rule be adhered to.

(b). The programme should be so arranged that every inspection should ordinarily be finished within in two to six days) Inspecting officers after leaving Head-quarters once, may finish the inspection of all the offices lying in the same direction before returning to Head quarters.

(c). A notice of inspection should be issued to each division at least a week before the inspection. In the notice, the month's accounts selected for test audit should not be mentioned, but the measurement books etc., required, should be enumerated selection in the central office being made with reference to the importance of the works in progress, the duration of works, and delay in payments, and with regard to any irregular purchases of stores or payment of work noticed in the monthly audit.

(d). A list of the books required should be sent to the Executive Engineer so that he may arrange to keep them ready against the Inspecting Officer's arrival. Any other books that may be required during the course of inspection should be called

called for as soon as found necessary and should be forthwith produced.

(e). The accounts and vouchers of the month to be test audited should be taken from the central office with the Inspecting Officer, who may be assisted in the work by one or more accountants as may be necessary.

(f). The procedure to be observed in inspecting the accounts of an office will follow the details laid down in Annexure A to the P.W.Form 145 and the questions in Parts I & II of the form.

(g). Objections discovered should at once be noted on separate memos and given to the Divisional Accountant for replies being furnished every day, and on the last day of the inspection, a draft report drawn up embodying the important points noticed and not explained on the spot, should be handed over to the Executiv Engineer and his replies obtained before the Inspecting Officer leaves th station. For this purpose, the Executive Engineer is required to be at his Head quarters while his division is under inspection, unless unavoidable public business detains him in camp. The Executive Engineer should then record, in the column provided for the purpose in the inspection reports, over his signature, his explanation of the points noticed, the action taken by him to remove the irregularities pointed out, his acce

ptance

He should in any case be present at head quarters and cooperate with the Inspecting Offices during the last few days of the inspection.

acceptance of the suggestions for improvement, and his reasons for differing from the views of the Inspecting officer. Every Inspection report with the Executive Engineer's explanation etc., as provided for above, will then be sent to the Superintending Engineer concerned, within a fortnight after its receipt by the Executive Engineer. The Superintending Engineer should, in a separate column to be provided for the purpose in the Inspection report, record his views on the points of difference between the Executive Engineer and the Inspecting Officer, and note the orders he may have separately issued to the Executive Engineer for the removal of the defects pointed out. With the column thus filled up and duly signed by him, the Superintending Engineer should return the report to the Comptroller within three weeks after its receipt.

(h). In the Comptroller's office an extract of the important objections not sufficiently explained by the Executive Engineer and the Superintending Engineer will be made out and submitted to Government in the P.W.D., invariably within 2 months of the date of inspection, with a covering letter in which all serious irregularities noticed at the inspection should be prominently brought to notice and specific orders requested.

(i) The orders of Government will be communicated to the Comptroller within three months at the latest, copies being sent to the Chief Engineer at the same time, for the information and guidance of departmental officers.

3. In addition to these annual inspections for the test audit of a month's accounts, the

the Comptroller may, whenever he considers it necessary, himself pay, or direct one of his gazetted assistants to pay surprise visits to a Divisional or Sub Divisional office and submit a report of such inspection to Government.

4. The Comptroller should submit to Government in the Financial Department, quarterly statements showing the inspection reports on which orders have not been passed by Government within three months, and bringing out clearly the important points on which orders are required. The first statement regarding all the inspection reports issued up to 31st December'16 on which orders of Government have not been passed, should be submitted within two ~~months~~ from the date of communication of this order.

5. The Comptroller should submit to Government in the Financial Department, by the 1st of August in each year, a statement showing the divisions inspected during the previous official year, the date of each inspection and the time taken, together with a brief account of the nature of the serious irregularities brought to notice and the general condition of the initial accounts maintained. The statement should contain a note of the divisions not inspected, with an explanation as to why it has not been possible to inspect them.

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Appendix. B.

INSPECTION BY SUPERINTENDING ENGINEERS.

1. It is the duty of the Superintending Engineer to make frequent inspections of the divisional and sub-divisional office in his circle.

2. Each divisional office should invariably be inspected by him in detail once a year, and reports of such inspection should be drawn up in Form 144.A of the P.W. code and submitted through the Chief Engineer for the information and orders of Government.

3. He should also submit to Government annually, by the 15th July, a report showing the offices he has inspected during the previous year as well as those he has not inspected, giving reasons why he has not inspected the latter.

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